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## **PRESS RELEASE**

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**FOR IMMEDIATE RELEASE**

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For Information Contact Public Affairs

SANDY RAYNOR

Telephone: (602) 514-7625

Cell: (602) 525-2681

### **TWO PHOENIX BUSINESSMEN INDICTED FOR FRAUD**

**PHOENIX** - The U.S. Attorney's Office for the District of Arizona announced today that a federal grand jury in Phoenix returned an eleven-count indictment against Robert Michael Bertola, DOB 7/13/41, and Steven J. Delaportas, DOB 9/13/60, both of Phoenix. The federal indictment charges Bertola and Delaportas with violating Title 18, U.S. Code, Section 371, Conspiracy; Section 152(1), Concealment; Section 1343, Wire Fraud; and Section 2, Aid and Abet. Bertola was also charged with violating Title 18, U.S. Code, Section 152(9), Unlawful Withholding; and 152 (2), False Oath. A summons was issued directing both Bertola and Delaportas to appear at an arraignment in U.S. District Court in Phoenix.

The indictment alleges that Bertola and Delaportas looted a business that was operating under the protection of Chapter 11 of the Bankruptcy Code. In June 2000, Bertola put The Cheese Company, Inc. into a Chapter 11 reorganization bankruptcy. Chapter 11 protects the debtor from its creditors and allows the business to continue to operate while a plan is developed to repay its creditors. Bertola was the president and majority shareholder of The Cheese Company, Inc. which was in the business of shredding, packaging and delivering cheese product. The Cheese Company's major customer was Northern Wisconsin Produce Company, Inc.

The indictment alleges that Bertola and Delaportas conspired to use the facilities and equipment of The Cheese Company to process cheese belonging to Northern Wisconsin Produce, Inc, and then to package and sell it under a different label. The proceeds from the

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sales of the cheese then was diverted to a new corporation that was formed by Delaportas, called Ionian Foods, LLC, to the detriment of Northern Wisconsin and other creditors. From November 2000 through February 2001, Bertola and Delaportas, operating as Ionian Foods, processed over 290,000 pounds of Northern Wisconsin's cheese, valued at over \$260,000.

A conviction for 18 U.S. Code, Section 1343 has a maximum penalty of 20 years in prison, a \$1,000,000 fine or both; Section 371 has a maximum penalty of 10 years in prison, a \$250,000 fine or both; and Section 152(1), 152(9), and 152 (2), each have a maximum penalty of five years in prison, a \$250,000 fine or both.

An indictment is simply the method by which a person is charged with criminal activity and raises no inference of guilt. An individual is presumed innocent until competent evidence is presented to a jury that establishes guilt beyond a reasonable doubt.

The investigation preceding the indictment was conducted by the U.S. Trustee's Office, the federal agency responsible for overseeing the administration of bankruptcy cases. The prosecution is being handled by Michelle Hamilton-Burns, Assistant U.S. Attorney, District of Arizona, Phoenix.

CASE NUMBER: CR-05-0001-PHX  
RELEASE NUMBER: 2005-001

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